



FR-4915-01-P

SURFACE TRANSPORTATION BOARD

[Docket No. FD 36057]

Cedar Rapids and Iowa City Railway Company—Change in Operator Exemption—Iowa Interstate Railroad, Ltd.

Cedar Rapids and Iowa City Railway Company (CRANDIC), a Class III rail carrier, has filed a verified notice of exemption under 49 CFR 1150.41 to assume operations over a line of railroad known as the Hills Line extending from milepost 25.0 near Burlington Street in Iowa City, Iowa, to the end of the track at milepost 33.4 in Hills, Iowa, a distance of approximately 8.4 miles. CRANDIC states that it owns the Hills Line, which is currently leased to and operated by Iowa Interstate Railroad, Ltd. (IAIS).¹

CRANDIC notes that CRANDIC and IAIS have agreed that the lease of the Hills Line by IAIS will terminate on October 26, 2016, under the terms of the governing lease agreement and that, as of that date, IAIS will relinquish to CRANDIC (and CRANDIC alone will assume) the legal obligation to provide common carrier rail service over the Hills Line.

CRANDIC states that the proposed change in operator does not involve any provision or agreement that would limit future interchange with a third-party connecting carrier. CRANDIC certifies that its projected annual revenues as a result of this transaction will not result in CRANDIC's becoming a Class II or Class I rail carrier.

¹ See Iowa Interstate R.R.—Lease Exemption—Line of Cedar Rapids & Iowa City Ry., FD 35562 (STB served Jan. 25, 2012).

However, because its projected annual revenues exceed \$5 million, CRANDIC certifies that, pursuant to 49 CFR 1150.42(e), it provided notice on August 18, 2016, to employees on the Hills Line and on the national offices of the labor unions for those employees' unions. Additionally, under 49 CFR 1150.42(b), a change in operator requires that notice be given to shippers. CRANDIC certifies that it has provided notice of the proposed change in operator to shippers on the Hills Line.

The earliest this transaction can be consummated is October 23, 2016, the effective date of the exemption.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Petitions for stay must be filed no later than October 14, 2016 (at least seven days before the exemption becomes effective).

An original and 10 copies of all pleadings, referring to Docket No. FD 36057, must be filed with the Surface Transportation Board, 395 E Street, S.W., Washington, DC 20423-0001. In addition, one copy of each pleading must be served on Robert A. Wimbish, Fletcher & Sippel LLC, 29 North Wacker Drive, Suite 920, Chicago, IL 60606-2832.

Board decisions and notices are available on our website at WWW.STB.GOV.

Decided: October 4, 2016.

By the Board, Rachel D. Campbell, Director, Office of Proceedings.

Tammy Lowery

Clearance Clerk

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